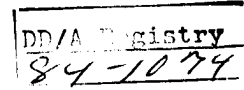


Central Intelligence Agency



Washington, D.C. 20505



12 APR 1984

OLL 84-1473

The Honorable David A. Stockman
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

This is in response to your request for the views of the Central Intelligence Agency on Enrolled Bill H.R. 4169, the Omnibus Budget Reconciliation Act of 1983. This Act modifies the determination of cost-of-living adjustments (COLA) under the Civil Service Retirement System and provides a four percent pay adjustment for federal employees. Additionally, this bill amends various provisions of law concerning small business programs.

I have no objection to the additional .5 percent pay increase and the small business amendments authorized in the legislation. With respect to the COLA delay, I do believe there is a certain amount of unfairness associated with this provision. For instance, the last COLA for retirees was effective 1 April 1983. Retirees were also scheduled to receive another delayed COLA effective 1 May 1984. The proposed current bill defers such payment for another seven months resulting in a total of 20 months between COLA increases. The additional COLA deferral seems to be an inequitable treatment of our retirees who must rely on COLA increases to stay current with inflation. Despite these inequities, however, I have no objection to Presidential approval of this legislation.

I appreciate very much the opportunity to comment on this legislation.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence



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